

# **EXHIBIT 9**



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**HEADLINE:** MANAGED CARE PHARMACISTS TO REVIEW PAYMENT METHODS

**BODY:**

The Academy of Managed Care Pharmacy (AMCP) is examining the accuracy of Medicare and Medicaid payment methodologies in an effort to educate members and push improvements to current reimbursement schemes. The announcement comes as a recent settlement involving First Databank Inc. raises further questions about the future of one of CMS' traditional formulas, the average wholesale price (AWP).

"It has been clear for a long time that current payment processes are broken and have finally worn thin," AMCP Executive Director Judith Cahill said in an Oct. 13 press release, "but there have been few viable alternatives proposed. Lawmakers and payors are searching for meaningful change to improve the process."

First Databank will stop publishing AWPs within two years as part of a legal settlement announced Oct. 6 -- a move that some industry sources predict will deal a final blow to the much-criticized AWP formula, used by many insurers to pay pharmacies for dispensed prescription drugs.

The settlement increases the urgency of studies such as AMCP's, some industry sources say. The trade group has so far been relatively mum on the issue, but the planned white paper could fuel a debate on Capitol Hill about the downstream implications various reimbursement formulas have for stakeholders -- even if AMCP's board of directors does not formally endorse any particular formula.

"Lots of people in the managed care industry were shocked about what was revealed in the settlement," an AMCP source says, referring to allegations that First Databank conspired with McKesson Corp., a wholesaler, to maximize profits and decrease pharmacy revenues by arbitrarily inflating the price "spread" between AWP and the wholesale acquisition cost, a rate wholesalers often use when selling drugs to pharmacies. "We need to come up with a credible benchmark," the AMCP source says.

AMCP's board began discussing plans for the white paper this April following a suggestion by Director of Government Affairs and General Counsel Bill Hermelin. AMCP's main goal is to inform managed care pharmacists about the impacts recent reimbursement changes mandated by the Medicare Modernization Act of 2003 and the Deficit

Reduction Act of 2005 may have on the industry, the source says.

AMCP has created a task force that includes seven AMCP members and several contracted consultants. Participants were scheduled to discuss the project on a conference call Tuesday (Oct. 24).

As part of the effort, AMPC wants to create an online "library" by the end of the year that includes reports, regulations and other documents related to various reimbursement formulas. This database will include research published by the Government Accountability Office, HHS Office of Inspector General, National Library of Medicine, Medicare Payment Advisory Commission, CMS and various private-sector researchers and research databases, the source says.

AMCP then wants to create a "primer" that analyzes reimbursement options in an effort to find the one most accurately reflecting acquisition costs.

"It will include analysis of current and potential drug payment systems by payer type, by distribution channel, by population served and lives impacted, for branded and generic therapies, across routes of administration, by site of care," the source says, citing official AMCP documents. "It will include possible impacts of alternative drug payment systems on access to and delivery of patient care, drug costs and stakeholders."

The board of directors may then be asked to endorse a particular formula.

"We're not doing this for CMS or Congress, but if it proves to be a resource for them, great. But it's not our target audience," the AMCP source says. "We want to take a step back and take a big picture look at what's happening and should be happening."

AMPC created an online glossary of reimbursement-related terms about two years ago.

The First Databank settlement comes after a seemingly endless string of investigations into manufacturers suspected of illegally inflating AWPs, leading up to the latest big-budget settlement with GlaxoSmithKline (see Inside CMS, Aug. 24). The Government Accountability Project (GAP) called the First Databank settlement "groundbreaking" in an Oct. 11 press release.

GAP partners with two of the lawsuit's plaintiffs in the Prescription Access Litigation Project, a national consumer coalition.

As part of the settlement, First Databank will immediately roll back the "spread" between AWP and the wholesale acquisition cost (WAC) from 25 percent to 20 percent for most top-selling drugs. Pharmacies typically purchase drugs from wholesalers at a price based on the WAC; as a result, acquisition costs and reimbursement rates often differ markedly for pharmacies.

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